

MINUTES
MURFREESBORO WATER AND SEWER BOARD
April 24, 2012

The Murfreesboro Water and Sewer Board met on Tuesday, April 24, 2012 in the conference room at the Operations and Maintenance Building, 1725 S. Church Street. Present at the meeting were Board members: Mr. John Sant Amour, Dr. Al Carter, Mr. Toby Gilley, Ms. Kathy Nobles, and Ms. Sandra Trail. Also present were Joe Kirchner, Darren Gore, Valerie Smith, Michele Pinkston, Susan McGannon, Doug Swann, Keith Carpenter, Alan Cranford, Stan Wallace, Sharon Siebert, Mark Lee, Mike Bernard, and Richard Baines, along with other members of the public.

Congratulations were extended to Joe Kirchner on his upcoming retirement scheduled for August 3, 2012 after 30 years of service with the Department.

The Consent Agenda was presented for the following considerations:

A. Consider a proposal from Dempsey Vantrease and Follis for the Water and Sewer Department Audit and the Stormwater Fund Audit for the year ending June 30, 2012 –

Dempsey Vantrease and Follis submitted a proposal to audit the balance sheet of the Murfreesboro Water and Sewer Department and the Murfreesboro Stormwater Fund as of June 30, 2012 and any related statements of earnings and retained earnings and cash flow for the year then ended. The proposed fee will not exceed \$19,750. This represents an increase of \$1,250 over last year's fee.

Staff recommended accepting the proposal as presented.

B. Consider a Joint Funding Agreement between the Department of Interior and the Murfreesboro Water and Sewer Department –

An agreement between the Department of Interior and the Murfreesboro Water and Sewer Department for a program of water resources data collection on the West Fork of the Stones River was presented. This program includes the operation of a stream flow gauge and a water quality monitoring station at the discharge of the Sinking Creek Wastewater Treatment Plant.

This is a standard agreement under which the Department has participated since 1986 to collect data on the discharge from the wastewater treatment plant. Staff recommended the Board recommend to City Council approval of the agreement as presented. The cost to the Department is \$17,950 per year with USGS matching for a total of \$35,900. This is the same as last year.

This program will be included in the proposed 2012-2013 fiscal year budget.

C. Consider bids for sodium chloride for water treatment –

Invitations to Bid for water treatment chemicals for use at the Stones River Water Treatment Plant were advertised and publicly opened on March 12, 2012. At the March 27, 2012 Water and Sewer Board meeting, the Board approved recommending the City Council to reject the bid by Sullivan

Corporation for \$0.0805 per pound as their sodium chloride does not meet bid specifications. A new Invitation to Bid was prepared, advertised and publicly opened on April 9, 2012 for sodium chloride. Only one vendor bid this time. Brenntag had stated that they were going to bid even up to bid day and then failed to bid. Morton stated that Univar was their preferred bidder in this area and submitted a no bid.

Sodium Chloride, aka salt, is used in the production of a 0.8% sodium hypochlorite solution (bleach) used for disinfecting the drinking water. Bleach is produced by passing a salt solution through an electrical current. The Stones River Water Treatment Plant uses approximately 445,000 pounds of sodium chloride annually. Our previous bid price for Morton salt was \$0.1315 per pound.

The raw bid tabulation is as follows with bid prices.

Company Name	Sodium Chloride
Univar	0.135/lb
Brenntag	No bid
Morton Salt	No bid

The price of the sodium chloride in the FY 2012-13 Operating Budget will reflect the new contract price through June 30, 2013.

Staff recommended that the Board recommend to City Council approving the sodium chloride bid recommendation as provided below.

Company Name	Chemical	Unit Price	Est. Annual Expense
Univar	Sodium Chloride	\$0.135/lb	\$60,000

A motion was made by Sandra Trail to accept the Consent Agenda as presented and it was seconded by Kathy Nobles. The Board voted unanimously to accept the Agenda.

The March 27, 2012 Board Minutes were unanimously accepted as presented.

The Board considered Work Order 12-47-001.0, Agreement for Engineering Consulting Services for the Sinking Creek Wastewater Treatment Plant Phase 4C, New Headworks Facilities from Smith Seckman Reid.

At the March 24, 2009 Board Meeting, the Board approved Smith Seckman Reid (SSR) Work Order 09-47-003.0 for design and resident project representative fees associated with a proposed new headworks facility in the amount of \$691,250 and approximately \$250,000, respectively. The new Work Order 12-47-001.0 from SSR would recommence and complete the design of the proposed new headworks facility in the amount of \$563,740. This new work order does not include resident project representative fees.

The original work order was formally suspended by the Department on February 25, 2010. During the approximate 11 month period between approving this work order in March 2009 and stopping

the design in February 2010, SSR worked on certain design elements which are still applicable to the current headworks design along with several other items that were beyond the scope of the original \$691,250 design fee. Items 2, 4, 5, and 8 described in the following table were work directives issued by the Director due to the failure of the existing drum screens, the anticipation of the Department's National Pollutant Discharge Elimination System (NPDES) permit requiring phosphorous removal and the possibility of retrofitting step screens in the existing headworks facility.

The following table itemizes the fees paid to SSR (totaling \$222,566.40) during the 11 month period as well as the 10 month period that SSR was directed to recommence the headworks design by the Board at the May 24, 2011 meeting until the present. The table breaks down the amounts which are applicable and can be credited to the fee associated with the new headworks design work order, and the amount of fees that are no longer useable toward the new design of the headworks and should be considered outside the proposed current scope of services:

<i>Item</i>	<i>Engineering Service</i>	<i>Credited to New Headworks Work Order</i>	<i>Not Applicable to New Headworks Work Order</i>
	Original Work Order Total	\$691,250.00	
1	Preliminary Project Meetings	\$6,162.88	\$0.00
2	Schematic Site Design	\$15,337.61	\$9,547.69
3	Facilities and Process Design	\$72,850.48	\$0.00
4	Evaluation and Layout of Step Screens vs. Drum Screens as Retrofit in Ex. HW Structure	\$0.00	\$34,830.35
5	Evaluation of Drum Screen Failure and Options	\$0.00	\$14,479.90
6	Step Screen Site Visits	\$8,301.87	\$0.00
7	Technical Memorandum of Headwork Options	\$24,857.64	\$0.00
8	Phosphorous Removal Options Evaluation	\$0.00	\$36,197.98
	Sub-Totals	\$127,510.48	\$95,055.92
	New Work Order Total <i>(Original less Credited Subtotal)</i>	\$563,739.52	

The headworks design was stopped when it became apparent that the Board and staff were desirous to move forward with the Wastewater Capacity and Effluent Disposal Study. The purpose of creating a new Work Order is to start from zero; redefining the remaining fee to get the new headworks facility designed and bid while at the same time recognizing that all the work done prior to this point has value, but that some of the prior work was outside the original scope of work.

Staff recommended the Board recommend to City Council terminating SSR Work Order 09-47-003.0 and approving SSR Work Order 12-47-001.0 for design and construction administration services associated with a new headworks facility at the Sinking Creek Wastewater Treatment Plant.

The cost, an hourly not to exceed fee, associated with the amended scope of services is \$563,740. This expenditure was previously approved as coming from a future TML loan; however, it is anticipated

that the funding may come from a future unsubsidized State Revolving Fund (SRF) loan. The expenses paid to date have come from the Department's working capital reserves and may be applicable for reimbursement from the future TML or SRF loans.

Sandra Trail made a motion to approve. Toby Gilley seconded. The motion unanimously passed.

Staff presented and discussed the Financial Reports for the year ending March 31, 2012 which included preliminary numbers for the proposed Water and Sewer Department budget. It was recommended recessing this meeting until May 8th in order to review a tentative budget.

Staff next presented and discussed the preliminary Stormwater Fund budget. The 5 year Capital Improvements Plan was also included as part of the preliminary budget.

Staff presented a resolution previously approved at the January 2012 Board meeting regarding financing of the construction of wastewater facilities projects through the State of Tennessee Clean Water State Revolving Loan Program. Staff recommended the Board recommend to City Council amending the resolutions estimated total cost from \$30 million dollars to \$37 million dollars.

Sandra Trail made a motion to approve. Kathy Nobles seconded. The motion unanimously passed.

Staff informed the Board that the HVAC Unit in the Engineering Annex serving the west side of the building was not cooling. Roscoe Brown, Inc. (RBI) was called to come and check the unit. Roscoe notified staff that the compressor for the unit had gone out and could not be repaired. They also stated that portions of this unit were 30 years old or older and recommended the replacement of the entire unit. The estimated cost of replacement was \$11,070.46 which required the Department to bid out the replacement.

The Department sent out an Invitation to Bid March 18th for the replacement. The Department specified a 7.5 Ton Heat Pump with 410 refrigerant, three year parts and labor warranty and the contractor must use a certified Carlisle Golden Seal Total Roofing System subcontractor. This certification was required because the roof of the Engineering Annex is still under warranty. Four bids were received. They were from Roscoe Brown, Inc., Airpro Systems, Inc., Dillingham & Smith and The Tedder Company as follows:

	RBI	Tedder	Dillingham	Airpro
Qty (1) 7.5 Ton	\$10,995	\$14,999	\$17,068	\$19,939

Although Roscoe Brown, Inc. was the apparent low bidder, their bid did not meet several of the specifications. The model number specified on their Bid Form was not a heat pump, it was not the size specified and they only listed a one year parts and labor warranty.

Due to the time critical nature of replacing the HVAC unit before warmer weather the City Manager granted permission to proceed with recommending the award of the bid to City Council. Staff recommended award of the low responsive bid to The Tedder Company in the amount of \$14,999 with funding from working capital.

Kathy Nobles made a motion to approve. Toby Gilley seconded. The motion unanimously passed.

Staff presented an article to be published in the Water Supply Operation magazine recognizing the Stones River Water Treatment Plant.

Staff presented the Water and Sewer Dashboard Performance for March 2012.

The meeting recessed until 3:30 pm on Tuesday, May 8, 2012 at the Operations and Maintenance Building.

MAY 8, 2012

The Murfreesboro Water and Sewer Board reconvened its April 24, 2012 meeting on May 8, 2012 in the conference room at the Operations and Maintenance Building, 1725 S. Church Street. In addition to those present at the meeting on April 24th Clay Beach, Blake Smith, and other members of the public were present. Absent from the reconvened meeting were Stan Wallace, Mark Lee and Mike Bernard.

The Board considered the Water and Sewer Department and Stormwater Fund tentative budgets for the 2012-2013 fiscal year.

The budgets are balanced as presented. The proposed Water and Sewer Department budget is \$832,387 more than that budgeted last year. Reserve income from connection fees and future capital reserve total \$3.8 million. The minimum monthly allowance for 5/8 inch meters will be reduced by 50 cubic feet from 100 cubic feet per month to 50 cubic feet per month. The minimum monthly allowance for all other meter sizes will be reduced by 100 cubic feet per month. This reduction will require the preparation of a rate ordinance by the City Attorney. There are a total of 6 vacant positions and 9 new positions in the budget for a total authorized positions of 158 including Stormwater. The proposed Stormwater Fund budget is \$94,233 more than that budgeted last year. The total anticipated available reserves at June 30, 2012 are estimated to be \$4,220,075. The stormwater fund is not expected to incur any debt and therefore intends to cover all capital improvements through use of the working capital reserve fund.

Staff recommended approving the tentative Water and Sewer Department and Stormwater Fund budgets as presented. The final budget document will be presented at the May 25th meeting for approval and recommendation to the City Council.

Toby Gilley made a motion to approve. Blake Smith seconded. The motion unanimously passed.

Staff recommended approving the City Attorney to prepare the appropriate rate ordinance as proposed.

Toby Gilley made a motion to approve. Kathy Nobles seconded. The motion unanimously passed.

Staff informed the Board that Jackson Thornton anticipates the Cost of Service Study will be completed by the first week of June and recommended a meeting be held on June 5, 2012 to review and dedicate the Cost of Service.

There being no further business, the meeting was adjourned.

John Sant Amour, Chairman